



ສາທາລະນະລັດ ປະຊາທິປະໄຕ ປະຊາຊົນລາວ  
Lao People's Democratic Republic



ອົງການສະຫະປະຊາຊາດເພື່ອການພັດທະນາ  
United Nations Development Programme

**Government of Lao People's Democratic Republic  
Water Resources and Environment Administration  
Environmental and Social Impact Assessment Department**

**United Nations Development Programme**

**PROJECT ID: 00072674  
PROJECT TITLE: POVERTY ENVIRONMENT INITIATIVE  
(PEI, OUTPUT 3)**

**QUARTERLY PROGRESS REPORT 2009  
(QPR)**

**Reporting Period:**

October - December 2009

## I. PROJECT INFORMATION AND RESOURCES

<b>Project ID and title:</b>	00072674 “Poverty Environment Initiative (PEI, Output 3)”
<b>Executing Agency:</b>	Environmental and Social Impact Assessment (ESIA) Department of the Water Resources and Environment Administration (WREA)
<b>Collaborating Ministries/ Government agencies:</b>	Ministry of Planning and Investment, and National Assembly.
<b>Project duration:</b>	October 2009 – December 2011

<b>Period covered by report:</b>	October 1, 2009 – December 30, 2009
----------------------------------	-------------------------------------

<b>Total Budget</b>	<b>Allocated Resources</b>	<b>Original Budget (US\$)</b>
	<b>UNDP</b>	
	<b>Total Budget</b>	<b>\$300,000</b>

<b>Summary of expenditure for period covered by report</b>	<b>Amount (US\$)</b>	
	<b>Budget for Q4 (Oct – Dec 2009)</b>	
<b>Expenditure in Q4 (Oct - Dec 2009)</b>		<b>18,624</b>
<b>Delivery Rate of Expense (%)</b>		<b>30,02</b>

## **I. Project Performance and Result**

### **1.1 Overview of the project**

This project entitled “Environment and Social Impact Assessment: Reducing Negative Social and Environmental Impacts of Investment in Lao PDR” represents output 3 of the Poverty Environment Initiative (PEI) Framework in Lao PDR.

Contributing to the overall goal of the PEI framework in Lao PDR, this project aims to support the strengthening of the Environment and Social Impact Assessment (ESIA) Department of the Water Resources and Environment Administration (WREA) to ensure comprehensive review and approval processes of environmental and social assessments and management plans based on the law and good science in effective coordination with the concerned line ministries and state enterprises. This project constitutes three important outputs as follows:

1. Development and implementation of the financial mechanisms and financial management regulations;
2. Development of technical guidelines and procedures including environmental and social guidelines for development projects;
3. Capacity building support through training need assessment and planning, implementation of technical and management training and regional cooperation; and

To achieve the above outputs, the project time frame takes approximately 27 months. It began in October 2009 and is expected to end in December 2011. This document is therefore the first progress report to the project.

### **1.2 Overview of activities during reporting period**

Key activities carried out during the reporting period are described as follows:

#### **1.2.1 Support the development and operation of a sustainable financing mechanism**

- Consultation meeting on Financial and Accounting Management Manual of the ESIA Department was organized in Thalat District, Vientiane province from 23 to 27 November 2009. The meeting was chaired by Mr. Thavone Vongphosee, Deputy Director General of the ESIA Department. Mr. Visakone Chanthapasouk, Local Public Financial and Accounting Consultant from SEM II Project was appointed as presenter to introduce the process and procedure of the Financial and Accounting Mechanism and tools of Management. The aims of the meeting were to understand and agree on Financial and Accountant Management Manual of the ESIA Department, Procurement Policy and inventories/Fixed Assets Management Policy of the ESIA Department. Fourteen participants from Planning and Financial Division of ESIA Department of WREA were directly benefited from this consultation meeting. All participants understood and were willing to share and provide their experiences in improving and agreeing on this Financial and Accounting Management Manual in the Planning and Financial Division level. The updating of this management manual will be discussed in the ESIA level in January 2010.

- Training course on regulation and processing of financial and accounting management of ESIA Department was successfully conducted in Thalat district, Vientiane province from 21 to 26 December 2009. It aimed to strengthen capacity on regulations and processing of financial and accounting management of staffs from the Planning and Financial Division of ESIA Department of WREA. Fourteen participants from Planning and Financial Division of WREA were trained and improved their capabilities on rules/regulation and processes of the financial and accounting management.

### **1.2.2 Support materials and general technical guidelines**

- International experts have already been recruited but have not yet been on board which caused the delay of the preparation and development of the technical guidelines.
- National consultant/Assistant to Project Manager was recruited and on board on 21 December 2009.
- Inception workshop

The Inception workshop was organized at Environmental and Social Impact Assessment Department on 17 December 2009. The meeting was co-chaired by Mr. Lamphoukeo Kettavong, Deputy Head of Planning and Financial Division, and Ms. Linda Norgrove, Chief of Environmental Unit of UNDP. The meeting was attended by 13 participants from concerned departments within WREA and representative from UNDP.

The objectives of the meeting were to discuss on the implementation of 4<sup>th</sup> quarter work plan 2009 of PEI – Output 3, and work plan 2010 including the assistance of two international experts and national consultant to assistance project manager and accountant. The workshop recommended the following consideration:

1. Experts who will develop technical guidelines and training materials should have experience on the field. Relevant agencies of different sectors must be involved in the guideline development. Representatives from National Assembly must be taken part in consultation process on impacts of development projects. Specific guideline for each section should be developed because different ESIA centers may not use the same guideline.
2. Consultant Company who will write the reports must have specific knowledge in the case study. Guideline for concerned line agencies must be developed for their reference when they review their report, particularly the part which relevant to their works.
3. Improve the existing guidelines for ESIA center for Energy and Mining before developing guidelines for Infrastructure & Public Investment Projects ESIA center, and Agriculture & Forestry Center.
4. All ESIA centers should identify its need in terms of what kind of guideline to be developed.

- Training course on the Review of Environmental & Social Impact Assessment Reports and Monitoring of Environmental & Social Management Monitoring Plans in Agriculture & Forestry and Infrastructure Projects

The Training was conducted at Lanxang Hotel, Vientiane Capital from 15-19 December 2009. The training was jointly organized by Agriculture & Forestry ESIA Center and Infrastructure & Public Investment Projects ESIA Center of the Department of ESIA. Thirty-four participants attending the training were representatives from various agencies including the co-organizers; Water Resources and Environment Office of Vientiane Municipality; Environment Offices of Sisattanak, Chanthabouly and Sikhodtabong districts; Forestry Department; including resource persons from SEM II Project, the Cabinet from WREA, ESIA Department, National Department of Land Development and Planning, National of Agriculture and Forestry Research institute and Department of Forestry.

Opening by Mr. Phouvong Louangxaysana, Deputy Director General of ESIA Department, the training aimed to strengthen and improve technical knowledge on reviewing ESIA reports, monitoring and implementing environmental and social works which related to development in the field of agriculture, forestry and infrastructure.

The training was structured into three parts including introduction, group discussion and field trip. Firstly, the introduction provided participants an overview on sustainable development and environmental protection, environmental and social impact assessment and its processes, related rules and regulations, project cycle, preparation and procedure for reviewing ESIA reports. Secondly, group discussion was mainly centered on selected case studies related to Economic Forest Plantation in five Southern Provinces, embankment & Mekong Riverside Development Projects. Finally, field trip to the project site of embankment and Mekong Riverside Development was conducted. The objective of the trip was to monitor environmental condition of the project location such as sand extraction area and worker camps. GPS was used to input data into map and observation of the project implementation was compared with the EMP.

At the end of the training, participants are better understanding the above subject, get more confident in reviewing ESIA reports and evaluation of environmental and social impacts, and gain knowledge and skills on field monitoring and management of the development project. As a way forward, it was recommended that (1) checklist for reviewing ESIA report should be available in Lao language; and (2) all training materials and documents must be compiled into one report with a CD and distributed to the participants.

- Checklist of ESIA documents was translated into Lao language.

## **II. Financial report during reporting period**

The ESIA Department receives budget support from the UNDP-PEI project. Budget allocation for output 3 for the 4<sup>th</sup> Quarter of 2009 was USD 62,050. However, actual budget transfer from UNDP to ESIA Department for activities spending was amounting to USD 32,550.00 (thirty two thousand five hundred and fifty US dollars only) in November 20, 2009. Of this, only USD 15,069 (46% of received budget) was spent during the 4<sup>th</sup> Quarter of 2009. Below information outlines budget spending against activities implementation during the reporting period.

### **Activity 3.1: Support for development and implement the accounting and financial system for ESIA Department**

For the 4<sup>th</sup> quarter of 2009, three activities were planned including two workshops on Accounting and Financial Management Manual of ESIA Department and some policies to support two levels of management (one for Planning and Financial Division level and the other for ESIA Department level); and one training on the accounting and financial system to support staff of the Planning and Financial Division. However, actual implementation was accomplished including one training and one workshop carried out outside Vientiane Capital. This is because 30 working-days (from November 21 to December 31, 2009) were not sufficient for preparing and organizing all the planned three activities. As such, spending for activity 3.1 was only USD 8,200 (51% of the planned budget) for the 4<sup>th</sup> quarter of 2009. Forty-nine percent of the budget was not spent.

### **Activity 3.2: Support for the development and updating the ESIA Reports and guidelines**

For the 4<sup>th</sup> quarter of 2009, a number of activities was planned including 1/ Technical Consultation meeting for identifying to review guidelines and setting up the ESIA's guidelines committee to be organized in Vientiane Capital, 2/ Workshop for establishing the 1<sup>st</sup> draft of the general technical guidelines to be organized outside Vientiane Capital, 3/ Technical Training/Workshop to be conducted outside Vientiane Capital. This activity also consists of salary for National Project Accountant and miscellaneous expenditures. Actual implementation was not achieved according to all planned activities, because implementation period was short and international technical expert was not yet on board to assist the above planned activities. In this regard, spending for this activity was only USD 6,866 (41% of the planned budget). Fifty-nine percent of the budget was not spent. Below information explains detail budget expenditure.

- Nine working days of salary for National Project Accountant was not yet paid and will be shifted to pay with the wage of January 2010
- Job vacancy advertisement in newspaper amounted to USD 626 (83% of planned budget)
- Activity 3.2.1 & 3.2.2: EISA Department finished only one meeting and training because International Technical Expert was not yet on board and the time was short. Expenditure for these sub-activities was USD 6,189 (57% of planned budget).

- Miscellaneous expenses: These expenditures reserve for the office utilities, telecommunication and others. No spending has been used in this category.

In general, the activities of ESIA Department during the 4<sup>th</sup> quarter of 2009 were not met according to planned target. Further follow-up will be made for the implementation of activities during the first quarter of 2010.

**PROJECT PERFORMANCE**

<b>Outputs</b>	<b>Budget for Q4 2009 (Kip)</b>	<b>Expenditure Q4 2009 (Kip)</b>	<b>Update on activities during Q4 2009</b>	<b>Reasons for delay and constraints</b>
1. Development and implementation of the financial mechanisms and financial management regulations;	135,636,651	69,483,000	<ul style="list-style-type: none"> <li>• First consultation meeting on Financial and Accountant Management Manual of ESIA Department. Second consultation workshop was not implemented and delayed.</li> <li>• Training on regulation and procession of financial and accountant management of ESIA Department.</li> </ul>	Duration for activ implementation during the quarter of 2009 was short whi did not allow enough time prepare and implement activities as planned.
2. Development of technical guidelines and procedures including environmental and social guidelines for development projects;	140,289,700	58,165,000	<ul style="list-style-type: none"> <li>• International experts have already been recruited but have not yet been on board which caused the delay of the preparation and development of the technical guidelines.</li> <li>• Inception workshop to discuss on the implementation of 4<sup>th</sup> quarter work plan 2009 of PEI – Output 3, and work plan 2010 including the assistance of two international experts and national consultant to assistance project manager and accountant.</li> <li>• National consultant/Assistant to Project Manager was recruited and on board on 21 December 2009.</li> <li>• Training course on the Review of Environmental &amp; Social Impact Assessment Reports and Monitoring of Environmental &amp; Social Management Monitoring Plans in Agriculture &amp; Forestry and Infrastructure Projects.</li> <li>• Technical Consultation meeting for identifying to review guidelines and setting up the ESIA’s guidelines committee and Workshop for establishing the 1<sup>st</sup> draft of the general technical guidelines have not been yet implemented.</li> </ul>	International experts who w assist to prepare and devel technical guidelines have not y been on board.



<p>3. capacity building support through training need assessment and planning, implementation of technical and management training and regional cooperation</p>			<ul style="list-style-type: none"> <li>• So far, no activities were implemented because technical guidelines have not been developed.</li> </ul>	<p>International experts who w assist to prepare and devel technical guidelines have not y been on board.</p>
---	--	--	--	---

**COMMUNICATION AND MONITORING PLAN/REPORT**

**Project Title:** Poverty Environment Initiative (PEI) | **Award ID:** 00072674 | **Date:**

Type of Actions	Stakeholders	Method of communication	Due by	Completed on	Status
Quarterly Progress Report for Q4-2009, including logs	ESIA - WREA, UNDP-UNEP	Report	4 <sup>th</sup> January 2009		
Annual Work Plan and Budget: 2010	ESIA - WREA, UNDP-UNEP	Report	4 <sup>th</sup> January 2009		
Work plan and FACE form: Q1-2010	ESIA - WREA, UNDP-UNEP	Report			
Quarterly Progress Report for Q1-2010, including logs	ESIA - WREA, UNDP-UNEP	Report			
Work plan and FACE form: Q2-2010	ESIA - WREA, UNDP-UNEP	Report			
Quarterly Progress Report for Q2-2010, including logs	ESIA - WREA, UNDP-UNEP	Report			
Work plan and FACE form: Q3-2010	ESIA - WREA, UNDP-UNEP	Report			
Quarterly Progress Report for Q3-2010, including logs	ESIA - WREA, UNDP-UNEP	Report			
Work plan and FACE form: Q4-2010	ESIA - WREA, UNDP-UNEP	Report			
Quarterly Progress Report for Q4-2010, including logs	ESIA - WREA, UNDP-UNEP	Report			
Annual Progress Report: 2010	ESIA - WREA, UNDP-UNEP	Report			

## OFFLINE ISSUES LOG

Project Title: Poverty Environment Initiative (PEI, Output 3)					Award ID: 00072674		Date: 30 December 2009		
#	Description	Date Identified	Type	Impact & Priority Note: scale 1-5 (5 being the highest)	Countermeasures / Management response	Owner	Submitted, updated by	Last Update	Status
1	International experts have been recruited but not yet on board	1 January 2010	Problem	Delay in preparing the details work plan, guidelines, training materials and number of EIA report to be reviewed. I= 5, P= 5; IXP= 25	Requested UNDP to speed up the arrival of international experts	UNDP	PM, ESIAD, WREA	14 January 2010	One of the international experts confirmed to commence her work on 19 <sup>th</sup> Jan 2010 and the other was not sure about the exact date.
2	The planned workshop on the review guideline was not organized	3 <sup>rd</sup> week of Dec 2009	Problem	Delay in preparing details work plan outlines, incl. outline of the guidelines. I= 5, P=5 IXP=25	Requested UNDP to speed up the arrival of international experts.	UNDP and ESIAD	ESIAD, WREA		Pending
3	IT equipments were not all received from	25 November 2009	Request for	Not enough IT facilities for project staffs to use. I= 3, P =4	Requested UNDP to speed up the purchase and supply.	UNDP	ESIAD, WREA	7 <sup>th</sup> January 2010	Pending

	UNDP. Remaining items include 3 notebooks, and printers			IXP=12					
4	Furniture purchase	25 November 2009	other	There was no serious problem because the two international Experts have not yet on board, I= 2, P =4 IXP=8	The assigned staffs use their own furniture and the national experts use other furniture for temporary.	ESIAD, WREA	ESIAD, WREA	21 Dec 2009	solved
5	Short time for activities implementation. Activities for Q4-2009 began on 20 November 2009.	21 Sep 2009	Problem	impact to output of the project I= 4, P= 5 IxP= 20	Some of important activities have been done	ESIAD, WREA	ESIAD, WREA	30 Dec 2009	Pending

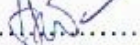
### OFFLINE RISK LOG

<b>Project Title: Poverty Environment Initiative (PEI, Output 3)</b>	<b>Award ID: 00072674</b>	<b>Date: 30 December 2009</b>
--	---------------------------	-------------------------------

#	Description	Date Identified	Type	Impact & Priority Note: scale 1-5 (5 being the highest)	Countermeasures / Mngt response	Owner	Submitted, updated by	Last Update	Status
1	International experts arrived late	1 <sup>st</sup> Jan 2010	Operational/ Organizational/ strategic	Delay in preparing the details work plan, guidelines, training materials and number of EIA report to be reviewed. I= 5, P= 5; IXP= 25	Requested UNDP to speed up the arrival of international experts.	UNDP	ESIAD, WREA	14 <sup>th</sup> Jan 2010	ongoing
2	Detail work plan might be delayed	1 <sup>st</sup> Jan 2010	Operational/ Organizational/ strategic	Delay in implementing the work plan I= 5, P= 5; IXP= 25	Strong coordination among PM, UNDP, and Experts	Experts, PM	PM	18 <sup>th</sup> Jan 2010	
3	Some activities that have not been achieved need to shift to the next quarter plan. This may retard other activities.	1 <sup>st</sup> Jan 2010	Operational	Might be delay the planned activities in 2010 I=5, P=5 IXP= 25	Speed up activity implementation through a strong team work building	PM, International and national experts and other project staffs	PM	18 <sup>th</sup> Jan 2010	ongoing

**LESSONS LEARNED LOG**

Lesson ID	Date logged	Type	Description	Recommendation
1	19/01/2010	Bad	Low capacity on the activities implementation and project management	Strengthen capacity building, on the job training, and sharing experiences between UNDP development projects

Prepared by:  Date: 11 January 2010  
 Ms. Arounna Vongsakhamphouy,  
 Assistant Project Manager PEI-Output 3

Certified by:  Date: 11 January 2010  
 Mr. Lamphoukeo kettavong,  
 Alternate Project Manager PEI-Output 3